(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) No, Sir.

(b) Does not arise.

Off-Loading of Shares by Foreign Financial Institutions

1749. SHRI K.R. MALKANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the fact that a certain foreign financial institutions suddenly off-loaded shares worth about Rs. 100 crores and thus caused the sensex to fall as appeared in The Economic Times of 9th October, 1998;

(b) if so, whether Government are powerless in the matter; and

(c) what steps Government propose to take to prevent repetition of any such monkeying with Indian stocks?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) There are several factors, which influence the stock market. These include expectations of the investors regarding performance of the coporate sector and the economy in general, perceptions of the investors about the economic policies of the Government, developments in the international capital market, speculative activity etc. Therefore it is difficult to attribute a fall in sensex to trades by Foreign Institutional investors (FIIs) alone.

(b) and (c) The FIIs operate in the Indian Securities Market subject to guidelines/directives and regulations issued by the Government, RBI and SEBI.

Excise Duty Evastion by Small Scale Industries

1750. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to introduce a new system of control excise audit using professional financial accounting and auditing principles to replace the current system;

(b) if so, the details thereof indicating the changes proposed in the system alongwith its justification;

(c) what is the reaction of the industry and professional organisations to the proposed change in audit and account system; and

(d) details of preparatory steps taken for efficient and smooth change over to the new system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) Yes, Sir.

(b) The new Audit System envisages Selective Audit of the accounts of Central Excise assessess by adopting the principles of auditing instead of mere verification of accounts as at present. There will be an Audit Programme to identify precise areas of possible discrepancies/evasion. The concept of "Audit Protocol" is also being developed to have mutual cooperation between the Department and the assessees . The objective is to have an effective, transparent and assessee-friendly auditing. The new System has become essential consequent upon introduction of Self-Assessment System from October, 1996 and the on-going process of simplification of rules and procedures.

(c) The new Audit System is at a reparatory stage and the reaction of the industry will be obtained during the test audits.

(d) Several preparatory steps have been taken. The audit domcuments are being developed with expert advice of